



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment – II (April, 2025)

Class: I M.A.

Time: 2 Hours

Major: Economics

Max. Marks: 60

23MECC11 - Monetary Economics

Course Outcomes:

CO 1: Discern different approaches to the theory of demand for money

CO 2: Understand the operation of financial markets.

CO 3: Comprehend the techniques of monetary policy.

CO 4 : Examine the link between financial markets and the real economy

CO 5 : Apply the key models and concepts in monetary economics to current events.

PART – A

6 x 1 = 6

Choose the correct answer

1. Which one of the following is a qualitative (or) selective credit control method? **CO2K2**
a) Bank rate policy b) open market operation
c) Cash Reserve Ratio d) margin requirements
2. A certain percentage of interest collected by the Central Bank from the Commercial banks for granting loans or discounting bills is said to be **CO3K2**
a) Interest rate b) exchange rate c) bank rate d) Cash Reserve Ratio
3. Which one of the following is an instrument of Monetary Policy? **CO3K2**
a) quantitative methods b) taxation c) public borrowing d) public expenditure
4. “Full employment is the main objective of Monetary policy”. This statement was advocated by? **CO3K2**
a) J.B.Clark b) J.M.Keynes c) Wicksteed d) Gustav Cassel
5. Which one of the following is an instrument of Fiscal Policy? **CO2K2**
a) full employment b) economic stability c) public borrowing d) economic growth
6. The injection of a certain amount of public spending in to a depressed economy through commissioning of public works is known as **CO5K2**
a) Fiscal policy b) monetary policy c) income policy d) pump priming

PART – B

Answer the following questions

3 x 6 = 18

(Answer should not exceed 400 words or two pages)

- 7a. Describe the objectives of Credit Control **CO3K3**
(Or)
- 7b. Distinguish between quantitative and qualitative methods of Credit Control **CO3K3**
- 8a. Explain the challenges faced by Micro Finance Institutions in India **CO3K3**
(Or)
- 8b. Narrate the significance of Monetary Policy **CO3K3**
- 9a. Explain the types of Fiscal Policy **CO2K3**
(Or)
- 9b. Write short note on Pump Priming and Compensatory Public Expenditure. **CO5K3**

Part - C

Answer the following questions

3 x 12 = 36

(Answer should not exceed 800 words or four pages)

- 10a. Describe the essential functions of Central bank **CO2K3**
(Or)
- 10b. Discuss the role of Central Bank in a developing Economy **CO2K3**
- 11a. Explain the various instruments of monetary policy in India. **CO3K3**
(Or)
- 11b. Discuss the major objectives and Instruments of Fiscal Policy **CO4K3**
- 12a. Explain the significance and limitations of Fiscal Policy **CO4K3**
(Or)
- 12b. Describe the interrelationship between Monetary Policy and Fiscal Policy **CO4K3**

Number of copies: 15

Staff In-charge: Dr.M.Shanthi